



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0364	Title:	Establish board and fund to compensate livestock owners for wolf predation
Primary Sponsor:	Malcolm, Bruce	Status:	Third Reading

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$66,559	\$59,059	\$60,535	\$62,049
Revenue:				
General Fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Net Impact-General Fund Balance:	<u><u>(\$66,559)</u></u>	<u><u>(\$59,059)</u></u>	<u><u>(\$60,535)</u></u>	<u><u>(\$62,049)</u></u>

Description of Fiscal Impact:

HB 364 creates a seven member Livestock Loss Reduction and Mitigation Board that is allocated to the Department of Livestock. The board will administer programs to mitigate and reimburse for livestock losses by wolves. The bill provides \$60,000 general fund in FY 2008 for 1 FTE and for operating expenses to establish the board and board activities and \$60,000 general fund in FY 2009 for 1 FTE and board expenses. There are no funds appropriated in the trust fund for the payment of claims. Such funds would have to be raised through a variety of sources.

FISCAL ANALYSIS

Assumptions:

Department of Livestock (DOL)

1. The Livestock Loss Reduction and Mitigation Board will be located in the DOL and will require 1.00 FTE and start up costs as provided in section 8.
2. Salary and benefits for the FTE are estimated to be \$48,822 for FY 2008 and FY 2009.
3. Estimated operating costs include 2 board meetings per year at cost of \$1,400; meals for the board members on meeting days at a cost of \$644; lodging for board members to attend the board meetings, \$1,008; a new employee office package \$2,500 (FY 2008 only); office supplies \$500; communications

\$1,000; rent \$5,685; rules notification \$2,500; and rules final publication \$2,500. Total Operations = \$17,737 in FY 2008 and \$10,237 in FY 2009.

4. Although the appropriations in the bill do not extend into the 2011 biennium, the program is codified and therefore considered ongoing. A 2.5% inflation factor has been applied to FY 2010 and FY 2011.
5. It is assumed that loss determination will be made by USDA Wildlife Services. The producer will have to provide documentation to the department and the department will make payments for losses out of the fund based upon latest market value of the livestock.
6. Section 6 allows the trust fund to build to \$5 million and interest can be used for the program but any unused interest in excess of the \$5 million must be deposited into the general fund. The funding is anticipated to come from any source including federal grants and/or private donations. It is not known how much the fund will build to or by what pace. Therefore, interest earnings are not estimated in this fiscal note.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$48,822	\$48,822	\$50,043	\$51,294
Operating Expenses	<u>\$17,737</u>	<u>\$10,237</u>	<u>\$10,493</u>	<u>\$10,755</u>
TOTAL Expenditures	<u><u>\$66,559</u></u>	<u><u>\$59,059</u></u>	<u><u>\$60,535</u></u>	<u><u>\$62,049</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$66,559	\$59,059	\$60,535	\$62,049
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$66,559)	(\$59,059)	(\$60,535)	(\$62,049)

Technical Notes:

1. Section 8 appropriates \$60,000 in FY 2008 and FY 2009. The estimated program expenditures for FY 2008 are \$66,559 and \$59,059 in FY 2009. The appropriation in the section for FY 2008 is insufficient for the estimated expenditures.
2. Livestock losses caused by wolves are estimated at \$200,000 annually. No appropriation is requested because it is impossible to predict how much will be received in the form of gifts, grants, reimbursements, or allocation from other sources.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date